

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** MATT HUNTER  
DEPUTY ATTORNEY GENERAL

**DATE:** APRIL 21, 2021

**SUBJECT:** IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR APPROVAL OF THE CAPACITY DEFICIENCY TO BE UTILIZED FOR AVOIDED COST CALCULATIONS; CASE NO. IPC-E-21-09.

On April 9, 2021, Idaho Power Company ("Company") applied for Commission approval of its capacity deficiency period determination for use in avoided cost calculations under the Public Utility Regulatory Policies Act of 1978 ("PURPA"). Application at 1.

### BACKGROUND

Under PURPA, the Commission has established a surrogate avoided resource ("SAR") methodology and an integrated resource plan ("IRP") methodology to calculate avoided cost rates for qualifying facilities ("QFs"). Under both methodologies, a QF receives capacity payments only after the applicable capacity deficiency period is reached. Order No. 32697. The capacity deficiency period is determined through the IRP planning process and is submitted to the Commission in a proceeding separate from the IRP docket. The capacity deficiency period determined in the IRP process is presumed to be correct as a starting point but will be subject to the outcome of the capacity deficiency case.

### THE APPLICATION

In its Application, the Company anticipates its capacity deficiency period will begin in August 2028 and explains how this capacity deficiency period was calculated. Application at 3-5. To calculate its capacity deficiency period for use in PURPA avoided cost calculations, the Company explains that its "load and resource balance has been determined based on the [Company's] system as modeled in the 2019 IRP." *Id.* at 3; *see* Case No. IPC-E-19-19, Order No.

34959 (acknowledging the Company's 2019 IRP). The Company asks that the Commission approve the capacity deficiency period. *Id.* at 6.

**STAFF RECOMMENDATION**

Staff recommends that the case be processed under Modified Procedure, with comments due June 23, 2021 and reply comments due June 30, 2021.

**COMMISSION DECISION**

Does the Commission wish to issue a Notice of Application and Modified Procedure, setting a June 23, 2021 comment deadline and a June 30, 2021 reply comment deadline?



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Matt Hunter  
Deputy Attorney General

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